



Frank Chena, Acting Chair

County of Los Angeles CONTRACTOR HEARING BOARD

500 W. TEMPLE STREET, 7TH FLOOR, LOS ANGELES, CALIFORNIA 90012

Participating Departments:

Chief Executive Office

Department of Mental Health

Treasurer & Tax Collector

December 15, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

50 December 15, 2015

A handwritten signature in cursive script, reading "Patrick Ogawa".

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

DEBARMENT OF APEX WASTE SYSTEMS, INC. AND ANTHONY UWAKWE ALL DISTRICTS (3-VOTES)

SUBJECT

Request for Board approval to adopt the proposed findings, decision, and recommendations of the Contractor Hearing Board to debar Apex Waste Systems, Inc., and Anthony Uwakwe, as an individual, for a period of five years, from bidding on, being awarded, and/or performing work on any contracts for the County of Los Angeles, from the date of the Board's approval, as a consequence of what the Contractor Hearing Board found to be serious contract violations. The Contractor Hearing Board also recommends that the Board not debar Apex's Vice President, Gil Koda and Office/Operations Administrator, Pat Acosta. The Contractor Hearing Board's current recommendations as contained in this board letter, follows the Board's August 11, 2015 request that the hearing board reconvene to review additional new evidence from the Internal Services Department.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt the proposed findings, decision, and recommendations of the Contractor Hearing Board (CHB) to debar Apex Waste Systems, Inc. (Apex) and Anthony Uwakwe for a period of five years from bidding on, being awarded, and/or performing work on any contracts for the County of Los Angeles from the date of the Board's approval of this action; and request to not debar Apex's Vice President, Gil Koda and Office/Operations Administrator, Pat Acosta.

2. Instruct the Director of Internal Services Department (ISD) to send notice to Apex and Anthony Uwakwe, advising of the debarment action taken by the Board.
3. Instruct the Director of ISD to enter this determination to debar Apex and Anthony Uwakwe for a period of five years, into the County's Contract Database, and in the listing of Contractors debarred in Los Angeles County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended debarment action against the contractor Apex and its President Anthony Uwakwe, is to ensure the County contracts only with responsible contractors who comply with the terms and conditions of their County contracts. The CHB's current proposed recommendations for a five-year debarment period of both Apex and Mr. Uwakwe, revises its prior July 14, 2015 recommendations recommending only a two- and three-year period for each, respectively.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the County's Strategic Plan Goal One of Operational Effectiveness/Fiscal Sustainability, which supports shared values of accountability, integrity, professionalism, efficient and effective service delivery, and proactive and prudent fiscal policies and stewardship.

FISCAL IMPACT/FINANCING

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Contractor Non-Responsibility and Debarment Ordinance

The Contractor Non-Responsibility and Contractor Debarment Ordinance, County Code Chapter 2.202, provides the County with the authority to terminate contracts and debar contractors when the County finds, in its discretion, that the contractor has engaged in certain acts, including any of the following:

- Violated a term of a contract with the County or a non-profit corporation created by the County;
- Committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a non-profit corporation created by the County, or engaged in a pattern or practice which negatively reflects on the same; or

- Committed an act or omission which indicates a lack of business integrity or business honesty.

As provided for in County Code Chapter 2.202, a contractor "...includes a contractor, subcontractor, vendor or any of their respective officers, directors, owners, co-owners, shareholders, partners, managers, employees or other individuals associated with the contractor, subcontractor, or vendor who participated in, knew of, or should reasonably have known of conduct that results in a finding of non-responsibility or debarment." In considering debarment, the County may consider the seriousness and extent of the contractor's acts, omissions, patterns, or practices and any relevant mitigating factors.

Contractor Hearing Board Representatives

County Code Chapter 2.202, the Contractor Non-Responsibility and Contractor Debarment Ordinance, established the CHB to provide an independent review of a contracting department's recommendation to debar a contractor. The regular membership of the CHB is comprised of representatives from ISD, the Chief Executive Office (CEO), and the Department of Public Works (DPW). In addition, the CHB has alternate members that include the departments of Health Services (DHS), Parks and Recreation (Parks), Public Social Services (DPSS), and any other County departments serving as alternate members. In the event the debarment action is initiated by CEO, ISD, DPW, or any alternate member, the CHB member from the department bringing the debarment action will recuse himself/herself from any participation in the hearing.

In this particular debarment proceeding, the CHB was comprised of Frank Cheng from the CEO, Richard Kushi from the Department of Mental Health (DMH), and Keith Knox from the Treasurer and Tax Collector (TTC). Since ISD was bringing the debarment action on behalf of itself, ISD did not participate on the CHB. DPW and Parks did not participate on the CHB since DPW has a contract with Apex, and Parks received services from Apex. Therefore, the CHB representative from the CEO participated in the hearing and deliberations with representatives from the alternate member departments of DMH and TTC. The CEO representative was elected by the participating members to serve as the Chair for the CHB in these proceedings.

Background

In December 2014, ISD requested the CHB be convened to initiate debarment proceedings against Apex and its principals President Anthony Uwakwe, Vice President Gil Koda, and Office/Operations Administrator Pat Acosta for:

- Violating a term of a contract with the County or a nonprofit corporation created by the County.

- Committing an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County or engaging in a pattern or practice which negatively reflects on same; and
- Committing an act or offense which indicated a lack of business integrity or business honesty.

February 11, 2015 Debarment Hearing

On December 11, 2014, ISD sent proper notice via certified mail to Apex, its President Anthony Uwakwe, Vice President Gil Koda, and Office/Operations Administrator Pat Acosta, notifying them of ISD's intent to initiate debarment actions against Apex and these three individuals. ISD informed them that the debarment proceedings would be brought on behalf of ISD, with a recommended debarment period of five years for each, at proceedings scheduled for January 7, 2015 at 1:30 p.m. at the Kenneth Hahn Hall of Administration, Room 140A (Attachment I). Included in this correspondence was notice to the parties that they must confirm in writing to ISD by December 18, 2014, of their intent to attend the debarment hearing.

Apex confirmed their attendance for the January 7, 2015 debarment hearing by the December 18, 2014 deadline. On December 22, 2014, ISD provided Apex with a list of prospective witnesses and copies of all documentary evidence it planned to use at the debarment proceedings. On December 30, 2014, Apex provided a similar list of prospective witnesses and copies of documentary evidence that the company planned to use at the debarment proceedings.

In a letter dated December 23, 2014, Apex offered rebuttal arguments to ISD's request to initiate debarment proceedings. Apex argued that ISD's employees attempted to undercut their performance, that Apex tried to comply with ISD requests in a timely and cooperative manner, that there were reasons for certain missed trash pickups, and that Apex was not paid for services on a timely basis.

On January 6, 2015, Counsel to CHB notified ISD and Apex that due to unforeseen logistical issues, the January 7, 2015 debarment hearing would need to be continued to another date (Attachment II). On January 20, 2015, ISD and Apex were notified that the debarment hearing would be scheduled for 1:30 p.m. on February 11, 2015, at the Community Development Commission & Housing Authority, Commission Room (Attachment III).

On February 9, 2015, ISD provided Counsel to CHB as well as Apex, additional documentary evidence it planned to use at the debarment proceedings.

On February 11, 2015, ISD proceeded in presenting a debarment recommendation of Apex before the CHB. At that same hearing, ISD also presented its recommendation to debar Mr. Anthony Uwakwe, Mr. Gil Koda, and Ms. Pat Acosta. Apex, Mr. Uwakwe, Mr. Koda, and Ms. Acosta opposed the debarment, and presented additional documentary evidence at this hearing. Each was provided the opportunity to present their case, offer rebuttal evidence and cross-examine witnesses. After the close of the evidentiary portion of the hearing, the CHB voted to recommend a two-year debarment of Apex, and no debarment for Mr. Uwakwe, Mr. Koda, or Ms. Acosta.

The debarment hearing was publicly noticed, scheduled, and conducted. The proceedings were recorded and the recording is available upon request, as well as all documents entered into the record as exhibits during the hearing.

- Attachment IV is a listing of the exhibits that were entered into the record at the February 11, 2015 hearing, and which form a part of the record and this recommendation, as though fully set forth herein.
- Attachment V is a listing of CHB members, ISD representatives, witnesses put on by ISD, witnesses put on by Apex, and participating lawyers from County Counsel and Apex, at the February 11, 2015 hearing.

April 28, 2015 and May 5, 2015 Debarment Hearings

On April 8, 2015, the CHB transmitted to ISD, Apex, Mr. Uwakwe, Mr. Koda, Ms. Acosta, and Apex's counsel, notice of, and a copy of the CHB's Tentative Proposed Decision and Recommendation to debar Apex. Attachment VI is the Notice of the Tentative Proposed Decision and Recommendation. This Notice also set a potential future hearing on April 28, 2015 to hear written objections to the CHB's Tentative Proposed Decision and Recommendation, if any were submitted. Apex served written objections on April 22, 2015, asserting why Apex should not be debarred. ISD also served written objections on April 22, 2015, asserting why the CHB should reconsider debarring Mr. Uwakwe for a period of five years. Both parties' written objections were timely served and form a part of the record and this recommendation, as though fully set forth herein.

The April 28, 2015 hearing was publicly noticed, scheduled, and conducted at the Community Development Commission & Housing Authority, Commission Room. Attachment VII is a copy of the agenda for this hearing. At the 2 p.m. hearing on April 28, 2015, Apex's Mr. Koda indicated that Mr. Uwakwe had a health issue and was unable to attend the Hearing. Therefore, the CHB continued the meeting to a later date.

On April 30, 2015, ISD and Apex were notified that the debarment hearing would be continued to May 5, 2015 to consider the parties' written objections. The May 5, 2015 hearing was also publicly noticed, scheduled, and conducted at the Community

Development Commission & Housing Authority, Commission Room. Attachment VIII is a copy of the agenda for this hearing, and Attachment IX is a listing of participants at this hearing, including CHB members, ISD representatives, and Apex. Mr. Uwakwe, Mr. Koda, counsel for Apex, ISD representatives, and lawyers from County Counsel attended the May 5, 2015 hearing before the CHB. Apex and Mr. Uwakwe, and counsel representing ISD, were provided the opportunity to present their previously served written objections. Both Apex and ISD introduced additional documents at the hearing in support of their written objections, which also form a part of the record for this hearing.

After the close of the evidentiary portion of the hearing, the CHB voted to uphold the recommendation of a two-year debarment for Apex, no debarment for Mr. Koda and Ms. Acosta, and modified their recommendation from no debarment of Mr. Uwakwe, to debarring him for a period of three years.

July 14, 2015 and August 11, 2015 Board Actions

On July 14, 2015, the CHB submitted recommendations to the Board to debar Apex for a period of two years and Mr. Uwakwe for three years. The Board deferred consideration of the recommendations until August 11, 2015.

On August 11, 2015, on motion of Supervisors Kuehl and Solis (Attachment X), the Board directed the CHB to reconvene and consider new information received by ISD, and return to the Board with a recommendation based on any new documentary evidence and testimony, as well as the evidence and testimony previously presented by both ISD and Apex to the CHB.

October 13, 2015 Debarment Hearing

On September 11, 2015, CHB's counsel sent proper notice via U.S. mail and email to Apex and ISD, notifying them of the Board's action to reconvene the CHB and hear new information received by ISD regarding Apex on September 28, 2015 at 1:30 p.m. at the Community Development Commission & Housing Authority, Commission Room (Attachment XI). Included in this correspondence was the instruction for both parties to submit new information and a list of supporting witnesses, if any, prior to the scheduled meeting.

On September 15, 2015, ISD provided CHB and Apex copies of all additional documentary evidence it planned to use at the debarment proceedings, including documents relating to Apex's failure to comply with County Code 2.206, Defaulted Property Tax Reduction Program via two outstanding property tax bills, and the revocation of Apex's solid waste hauler permit by the City of Los Angeles Board of Public Works due to Apex's failure to comply with a \$269,125 payment plan resulting from a 2012 audit (Attachment XII).

On September 17, 2015, Apex's counsel requested a rescheduling of the September 28, 2015 hearing, due to (1) Apex's relocation to another location, and (2) the unavailability of Apex's counsel due to a previously-scheduled trip. While the request was initially denied, on September 24, 2015, CHB's counsel notified both ISD and Apex that the debarment hearing would be rescheduled for 1:30 p.m. on October 13, 2015, at the Kenneth Hahn Hall of Administration, Room 743 (Attachment XIII).

On October 12, 2015, Apex provided CHB and ISD copies of all documentary evidence it planned to use at the debarment proceedings, including documents related to the dispute it had with the City of Los Angeles regarding the audit findings and amount owed to the City, and the correspondence it had with the County regarding the defaulted unsecured property taxes.

On October 13, 2015, ISD proceeded in presenting the additional documentary evidence against Apex and Mr. Uwakwe before the CHB, and recommended that both Apex and Mr. Uwakwe be debarred for five years. Mr. Uwakwe, Mr. Koda, and Apex's counsel countered ISD's arguments, and presented its additional documentary evidence at this hearing. While Apex's additional documentary evidence was late, the CHB exercised its discretion and accepted this documentary evidence into the record. After the close of the evidentiary portion of the hearing, the CHB voted to recommend a five-year debarment of Apex, and a five-year debarment for Mr. Uwakwe.

The proceedings of this debarment hearing were also recorded and the recording is available upon request, as well as all documents entered into the record as exhibits during the hearing.

- Attachment XIV is a listing of the exhibits that were entered into the record at the October 13, 2015 hearing, and which form a part of the record and this recommendation, as though fully set forth herein.
- Attachment XV is a listing of CHB members, ISD representatives, Apex representatives, including participating lawyers from County Counsel and Apex, at the October 13, 2015 hearing.

SUMMARY OF EVIDENCE AND ARGUMENT

The County Counsel representative for ISD presented evidence in the form of testimony, correspondence and supporting documentation to demonstrate that Apex, Mr. Uwakwe, Mr. Koda, and Ms. Acosta breached the terms of Apex's agreement with the County, and should be debarred. Following deliberations, the CHB found that Apex breached Section 3.0 (Work) of its contract with the County and violated various sections of County Code 2.202.040 (Debarment of Contractors), and should be

debarred. The CHB also found that Mr. Uwakwe should be debarred as an individual, but did not adopt ISD's recommendation to debar Mr. Koda and Ms. Acosta, as individuals.

Pertinent Facts and Evidence

County Contract with Apex

On March 3, 2009, the Board of Supervisors for the County of Los Angeles approved a Facility Ancillary Services Master Agreement (FASMA) and granted ISD delegated authority to execute FASMA's with new vendors, as they are qualified. ISD executed a FASMA with Apex on May 18, 2009. Apex received a work order under this FASMA on October 1, 2009. Apex was required to provide rubbish removal services to approximately 140 County locations, managed by the departments of Agricultural Commissioner/Weights & Measures, Animal Care and Control, Beaches and Harbors, District Attorney, Fire, DHS, ISD, DPSS, DMH, Parks, Probation, Public Health, Public Library, DPW, and Sheriff. The original FASMA was to expire on March 31, 2012. On February 8, 2012, ISD executed Amendment #1 to exercise the first two-year extension option, extending the term of Apex's master agreement from April 1, 2012 through March 31, 2014, and added additional contract provisions including warranty of compliance with County's Defaulted Property Tax Reduction Program. On February 3, 2014, ISD executed Amendment #2 to exercise the second two-year extension option, extending the term of Apex's master agreement from April 1, 2014 through March 31, 2016.

Apex's Breach of County Contract

On August 8, 2013, ISD notified Apex's Mr. Uwakwe via email memo that Apex failed to pick up trash at various County facilities as required by the agreement, and asked Apex to respond to a Contract Discrepancy Report (CDR) by August 19, 2013. On August 19, 2013, Apex responded to the CDR via email, and indicated that three out of four of those missed pickups were due to "assigned driver at fault." On August 22, 2013, ISD notified Mr. Uwakwe that Apex's response failed to satisfactorily address the performance issues, and asked Apex to submit a formal Corrective Action Plan (CAP) by September 9, 2013. Apex provided the CAP to ISD on August 26, 2013, and based on testimony presented by ISD employees, the CAP was deemed by ISD to be acceptable.

On May 15, 2014, ISD notified Apex's Ms. Acosta via email and phone conversation, that Apex failed to pick up trash at several County facilities, and asked Apex to respond and comply with the County's requirements by the following morning.

On May 22, 2014, ISD notified Apex's Mr. Uwakwe via email memo, that ISD continued to receive complaints from County departments regarding Apex's failure to pick up trash an alleged 36 times at ten (10) locations, and that the County would assess \$3,600 in

liquidated damages pursuant to Section 8.25 (Liquidated Damages) of the FASMA agreement (Agreement). ISD also demanded that Apex must demonstrate that all identified issues be resolved by June 2, 2014, or risk contract termination pursuant to Section 8.43 (Termination for Default) of the Agreement.

On September 18, 2014, ISD notified Apex's Mr. Uwakwe via email memo, as well as certified mail, that unless Apex responded with information demonstrating that their company should not be placed in County's Contractor Alert Reporting Database (CARD), ISD would proceed with placing Apex in CARD for the following reason: County has imposed contractual remedies against the contractor for non-compliance with the County contract requirements. CARD is used by the County to alert departments of poorly-performing contractors.

On September 30, 2014, ISD notified Apex's Mr. Uwakwe via email, that Apex had continuously failed to pick up trash as required by Section 3.0 (Work) of the Agreement, which required Apex to fully perform, complete, and deliver on time, all work under the Agreement. ISD indicated to Apex that its failure to respond and/or provide satisfactory work in a timely manner, may be cause for termination pursuant to Section 8.43 (Termination for Default) of the Agreement.

On October 2, 2014, Apex responded to ISD's CARD notification of September 18, 2014, and indicated that it could provide better service for all County locations. Apex also cited several issues in working with the County, such as outstanding invoices, increases in County landfill fees, and reasons why trash was not picked up at various County locations.

On October 7, 2014, ISD notified Apex via email memo, that Apex's October 2, 2014 response did not provide sufficient information to demonstrate that it should not be placed in CARD, and subsequently Apex was placed in CARD.

On October 10, 2014, ISD notified Apex via phone call and follow-up email, that it had received notification from the Fire Department that Apex had not provided rubbish services for several weeks at various Fire stations.

On March 25, 2015, staff from the County's TTC notified Apex's Mr. Koda via written correspondence that Apex had defaulted on two property tax bills. No payment had been received by TTC regarding the two tax bills as of October 13, 2015.

Termination of Apex's County Contract

On October 14, 2014, ISD notified Apex via email and certified mail, that pursuant to Section 8.43 (Termination for Default) of the Agreement, ISD intended to formally terminate Apex's FASMA and subordinate Purchase Order with the County due to Apex's failure to provide rubbish removal services in accordance with

Section 3.0 (Work) of the Agreement. ISD also included a sample list of non-compliance occurrences in the recent period, showing more than 50 missed services at seventeen (17) locations. ISD instructed Apex to cease providing rubbish removal and disposal services effective October 18, 2014, and that Apex must remove all of its equipment by no later than noon on October 17, 2014.

On October 16, 2014, ISD notified the Board via memo, of its intent to seek the Board's approval to terminate Apex's contract with the County, and that in order to ensure timely rubbish removal at the 129 County facilities being serviced by Apex at that time, ISD would be awarding these services to other contractors to ensure minimal interruptions.

On December 9, 2014, the Board terminated the contract (FASMA I104056) with Apex. ISD subsequently notified Apex via email memo and certified mail on the same day, that the contract and subordinate Purchase Order (MA-IS-1040178-19) would terminate effective December 10, 2014.

On December 11, 2014, ISD notified Apex via email and certified mail, that it intended to initiate debarment proceedings against Apex, Mr. Uwakwe, Mr. Koda, and Ms. Acosta pursuant to County Code Chapter 2.202, Determination of Contractor Non-Responsibility and Contractor Debarment.

Revocation of City of Los Angeles Contract with Apex

On April 17, 2015, the City of Los Angeles' (City's) Bureau of Sanitation (Bureau) requested the Board of Public Works (BPW) revoke Apex's Solid Waste Hauling Permit, due to Apex's failure to comply with the terms and conditions of its permit and with the requirements of certain City ordinances. Specifically, based on a January 2014 Performance Audit Report for Apex covering the period of 2009 through 2011, the Bureau found that Apex owed the City over \$280,000. BPW voted to continue the item for 30 days, and instructed the Bureau to work with two commissioners to negotiate a payment plan with Apex for the adjusted amount of over \$260,000.

On May 20, 2015, the City's BPW approved a stay to Apex's Solid Waste Hauling Permit, subject to a payment plan that included an initial down payment due on June 1, 2015, and sixteen additional monthly installment payments. BPW further required that if the initial down payment or any monthly installment payments were not received by the City by June 1, 2015, the stay would be lifted and Apex's permit would be revoked automatically.

On June 16, 2015, the City noticed Apex that it had not received the June 1, 2015 initial down payment as of June 10, 2015, therefore, the City revoked Apex's Solid Waste Hauler Permit, effective June 11, 2015. Apex was further instructed by the City that violations for "Collecting, Removing or Transporting Solid Waste" without a valid permit could lead to fines and/or imprisonment.

Argument

At the February 11, 2015 debarment hearing, ISD, with its counsel presented testimony and written documentation to support its recommendation for debarment. Mr. Uwakwe, Mr. Koda, Ms. Acosta, and Apex's counsel attended the debarment hearing, presented oral testimony and additional written documentation to support its objections to ISD's debarment recommendations. At the May 5, 2015 debarment hearing, Apex's Mr. Uwakwe and Mr. Koda presented additional written documentation and oral arguments on why Apex should not be debarred, and ISD's counsel presented additional written documentation and oral argument on why Apex should be debarred for a longer period than two years, and why Mr. Uwakwe should also be debarred for a period of five years. At the October 13, 2015 debarment hearing, ISD, with its counsel presented additional testimony and written documentation to support its recommendation for an increased debarment period from two to three years, to five years. Mr. Uwakwe, Mr. Koda, and Apex's counsel presented testimony and additional written documentation to support its objections at the October 13, 2015 hearing. The CHB ultimately found that ISD established by a preponderance of the evidence the following issues, which support a debarment for Apex and its President Anthony Uwakwe for a period of five years:

Apex Violated a Term of its County Contract

Apex breached Section 3.0 (Work) of its contract with the County, which required Apex to provide rubbish removal services to numerous County departments. Per Section 3.0, Apex was required to "fully perform, complete and deliver on time, all tasks, deliverables, services and other work" as required in the contract. Even after repeated notices were given by ISD, Apex did not fully perform the rubbish removal services work it was required to perform.

At the CHB hearing on February 11, 2015, in addition to documentary evidence, employees from ISD, Fire, Probation, and Parks testified regarding the multiple instances where Apex did not pick up trash at several County locations, and Apex was offered the opportunity to cross-examine these County employees. These County employees presented testimony that missed pick-ups attracted vermin, and the types of issues experienced by Apex were not seen in other County trash-removal vendors who also had FASMA's with the County. A Fire employee testified that trash was overflowing at Fire stations, and that some cities where these Fire stations were located complained about a potential health issue. While the Fire employee acknowledged that Fire employees were sometimes at fault for dumping unpermitted items in the trash bins, she did note that there were a lot of missed trash pick-ups and she had to continually follow up with Apex employees.

Apex did question a User Complaint Report filled out by a County Probation employee, as the complaint of unacceptable service appeared to be filed on June 25, 2014, but contained a future service date of June 26, 2014. Apex also questioned several inconsistent and erroneous pickup dates produced by the County.

Apex and Anthony Uwakwe Committed an Act or Omission Which Negatively Reflected on the Contractor's Quality, Fitness, or Capacity to Perform a Contract with the County, Any Other Public Entity, or a Nonprofit Corporation Created by the County, or Engaged in a Pattern or Practice which Negatively Reflects on Same

The lack of commitment to pick up trash at designated times and intervals at some of the 140 contract locations, negatively reflected on Apex's quality, fitness, and capacity to perform a contract with the County.

As trash piled up at various County locations, County employees either attempted to move trash on their own to other locations, or leave trash around existing trash bins, creating unsanitary and/or potentially unsafe situations. Piled trash at County parks presented aesthetics issues, and created a negative image for the County as trash cans in patron areas could not be emptied when full, due to the fact that the large trash bins were also full.

While Apex touted its on-going contracts with other government entities such as the U.S. Department of Veterans Affairs, and receiving satisfactory or marginal ratings in the Federal government's Contractor Performance Assessment Reports, this was immaterial as to how Apex performed for the County. The repeated failures of not picking up trash on a timely basis for County departments and violating contract terms per the Agreement, ultimately led to the termination of contract by the Board. Moreover, the President of Apex, Mr. Anthony Uwakwe instructed his staff to ignore County's telephone and email requests for response on missed trash pickups, which negatively reflected his quality, fitness, and capacity to perform a contract with the County.

Apex also failed to pay its property tax obligations. While the CHB notes that Section 8.53 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) of Apex's contract with the County required Apex to be in compliance with County Code 2.206, Defaulted Property Tax Reduction Program, Apex's default occurred in March 2015 after its contract was already terminated by the Board of Supervisors on December 9, 2014. However, Apex's failure to pay property tax obligations required of all residents in Los Angeles County, evidences Apex's and Mr. Uwakwe's lack of fitness and capacity to be a good County contractor. At the CHB hearing on October 13, 2015, ISD presented a March 25, 2015 Notification of Tax Default letter from the County's TTC to Apex's Mr. Koda, indicating that Apex had defaulted on two property tax bills. ISD also indicated that they confirmed with TTC that the tax bills remained outstanding as of the date of the hearing. Apex claimed that the

issue had been resolved, and provided email exchanges between Apex and a County Assessor's employee from April 2014 to July 2014. At the hearing, Apex also forwarded two email exchanges between Apex and a County TTC employee on October 9, 2015, regarding an address change associated with two unsecured property tax bills. However, none of Apex's documents evidenced that it had paid the outstanding bills and was no longer in default.

At the CHB hearing on October 13, 2015, ISD also presented various City BPW meeting agendas that involved Apex's Solid Waste Hauling Permit with the City, leading to the revocation of its permit effective June 11, 2015 due to delinquent payment. Apex indicated that they are still disputing the charges, and the fees they owed to the City should either not be assessed, or be paid by its government customers such as the County or the Federal government. Apex told the CHB that they voiced their rejections of the payment plan at the City BPW's meeting on May 20, 2015, when the payment plan was approved and put in place. However, one CHB member indicated that in listening to the meeting recording available on BPW's website, Mr. Uwakwe, Mr. Koda, and another Apex counsel were given the opportunity to address the BPW and did speak briefly, but there was no mention of any objection to the payment plan or the amount it owed to the City.

Apex and Anthony Uwakwe Committed an Act or Offense Which Indicates a Lack of Business Integrity or Business Honesty

Based on the documentation provided by ISD, when ISD notified Apex on August 8, 2013 of its missed trash pickups at various County facilities and asked Apex to respond to the CDR, Apex did respond accordingly and explained the reason for each missed pickup. Apex also subsequently submitted a formal CAP as well as a Quality Control Plan (QCP) on August 26, 2013.

Specifically, the QCP stated that "All pick-ups of trash...shall be done in accordance to an agreed upon schedule between the Los Angeles County and Apex." The QCP further stated that "Missed pick-ups will also be called in to Apex's office for immediate correction. A missed pick-up report will be generated by Apex office personnel and given to Quality Control Supervisor for immediate corrective action."

While there were no documented complaints provided by ISD in the subsequent eight months, starting around April/May of 2014, Apex again failed to perform the required services at several locations. At the CHB hearing on February 11, 2015, when Mr. Uwakwe was asked by a CHB member as to why Apex did not respond in the same manner to ISD in May 2014 (failed to pick up trash at a number of County facilities) as it did in August 2013, Mr. Uwakwe indicated that he directed his employees not to do so, because the relationship with the County had significantly deteriorated.

As a responsible contractor, Apex, under the direction of Mr. Uwakwe, should have made every effort to meet its trash pickup schedule with the County, adhere to its QCP, and work to immediately remedy every missed pickup. The decision of Apex's President to direct his employees not to respond item-by-item regarding missed trash pickup complaints filed by the County, is unacceptable.

Apex, under the direction of its president Mr. Uwakwe, should be making timely payments on County property taxes, and on fees it owed to the City BPW's approved payment plan.

FINDINGS AND RECOMMENDED DECISION

After considering the evidence and arguments presented by ISD and Apex representatives on February 11, 2015, May 5, 2015, and October 13, 2015 the CHB concluded that the following factors assisted them in reaching their recommendation for the debarment of Apex for a period of five years, Mr. Uwakwe as individual for a period of five years, and no debarment of Mr. Koda and Ms. Acosta, as individuals:

➤ *Actual or potential harm or impact that results or may result from the wrongdoing.*

The CHB concluded that through the actions of Apex, there was actual harm to the County in the fact that potential health hazards were created by Apex for the missed trash pickups. When trash sat uncollected, various insects, rodents and critters began to gather inside and around the trash area, creating unsanitary and sometimes hazardous conditions for County employees, as well as the public, in some instances. In situations where trash bins were completely full, County employees had no choice but to put new trash next to regular trash bins and on the ground, creating additional unhealthy conditions that the County had to remedy later. As a result, animals would chew open plastic bags and then spread food over the adjacent areas. Overflowing trash also created a negative image for the County, and at the same time, generated a number of aesthetic issues.

ISD and other County staff also presented testimony about the effort expended in following up with Apex, Mr. Uwakwe, Mr. Koda, and/or Ms. Acosta regarding missed pick-ups, contract compliance, and ultimately, in locating alternative service providers once Apex's contract was terminated.

One CHB member noted, however, that Apex did have its contract terminated, and that the terminated services were readily transferred to another County vendor. As such, it factored into his decision to not recommend debarment of Apex or Mr. Uwakwe.

- *Frequency and/or number of incidents and/or duration of the wrongdoing; whether there is a pattern or prior history of wrongdoing; contractor's overall performance record.*

The CHB concluded that based on evidence presented by ISD, the County experienced poor performance by Apex in August 2013, May 2014, and again in late 2014. This evidence showed: missed trash pickups at various locations, as noted in ISD's written correspondence to Apex on August 8, 2013; 20 missed trash pickups at seven (7) locations, as noted in ISD's email to Apex on May 15, 2014, which increased to 36 missed trash pickups at 10 locations in ISD's written correspondence to Apex on May 22, 2014; seven (7) locations had missed trash pickups, as noted in ISD's September 30, 2014 email to Apex; nine (9) missed trash pickups, as noted in Fire's October 10, 2014 email, indicating that Fire had contacted the vendor but some locations were not serviced for three weeks; at least 50 missed trash pickups at 17 locations (inclusive of some of the prior incidents), as noted in ISD's written correspondence to Apex on October 14, 2014. The frequency of missed pick-ups and the large number of sites that experienced missed pick-ups, is unacceptable. A large number of County departments were impacted as well, including Fire, Parks, Probation, and ISD.

The CHB also found it troubling that Apex, under the direction of its president Mr. Uwakwe, also failed to make timely payments for County property taxes, and for fees owed to the City of Los Angeles' BPW, per an approved payment plan. The frequency of issues regarding lack of timely payment, combined with the lack of timely performance on the County's contract, warrants a five-year debarment.

Apex contended that all missed trash pickups were either justified (because County did not allow proper access to Apex's trucks, placed prohibited or overweight items in trash bins, etc.) or there were mechanical issues with their trucks. Apex attempted to label all missed trash pickups as "delayed" pickups, stating that trash was eventually picked up at a later date/time. The CHB did not find this argument persuasive.

It is important to note that the County has at least two other contractors who have been performing similar rubbish removal services at various County facilities during the same period as Apex, and the County has not experienced these types of issues with either one. These other two contractors have not had the level of poor performance that Apex exhibited. Where a department had trash removal service performed by Apex and another contractor during the same period, the department testified that they did not have the same missed pickup problems as they did with Apex.

Apex attempted to indicate that a high level ISD manager and the manager's staff "took unusual steps to thwart the effort of Apex" in obtaining a County contract in 2009, and subsequently "used their administrative powers to undercut the performance of Apex by causing the County Payment System to Not Pay Apex in a timely basis." The CHB did not find this allegation to be relevant or credible.

The CHB also believes that Apex's arguments were not credible at times regarding delinquent County property tax payments and delinquent payments to the City that led to the revocation of Apex's trash hauling permit. As Apex's president, Mr. Uwakwe was responsible for the decisions to not pay the County or the City in a timely manner.

- *Whether a contractors' wrongdoing was intentional or inadvertent; whether a contractor has accepted responsibility for the wrongdoing and recognizes the seriousness of the misconduct; the positions held by the individuals involved in the wrongdoing; whether a contractor's principals or other individuals associated with the contractor participated in, knew of, or tolerated the offense.*

While it was difficult to judge whether each missed trash pickup was intentional or inadvertent, when questioned by the CHB as to why Apex did not respond incident-by-incident on the 20 missed pickups stated in ISD's May 15, 2014 email, as they have done previously in 2013, Mr. Uwakwe's answer was that he instructed his staff "do not bother," because the relationship between Apex and the County had deteriorated. The CHB disagrees with such practice, as a responsible company should immediately provide a detailed response to such missed pickups, and also attempt to arrange for high-level management meetings with the County. Apex, through the leadership of its majority owner and President Mr. Uwakwe, chose to do neither, and continued to not perform all the required services on a timely basis, as required by their County contract.

Taking into account the CHB's deliberation at the February 11, 2015, and May 5, 2015 hearings, at the conclusion of the October 13, 2015 hearing, the CHB voted to revise the debarment recommendation of Apex and Mr. Uwakwe by increasing it to a period of five years. After considering additional evidence brought forth by ISD regarding Apex's County property tax default and the revocation of its City permit, and weighing the above factors highlighted in this letter, the CHB by majority vote, recommends to the Board that Apex be debarred for a period of five years. By separate majority vote, the CHB recommends to the Board that Mr. Uwakwe also be debarred for five years as an individual. The reasons cited by the CHB for debarring Mr. Uwakwe are as indicated above, given he was the President and owner of Apex and was directly responsible for its operations.

With regard to the debarment recommendation of Mr. Koda, and Ms. Acosta, the CHB members previously found per its July 14, 2015 recommendation to the Board, that Mr. Koda and Ms. Acosta were not the ultimate decision makers for Apex. By unanimous vote, the CHB recommends that Mr. Koda and Ms. Acosta not be debarred.

IMPACT ON CURRENT PROJECTS

Not applicable.

CONCLUSION

Due to the foregoing, and to ensure that the County contracts only with responsible contractors who comply with all relevant laws, as well as the terms and conditions of their contracts, the CHB respectfully requests that the Board adopt the proposed findings, decision and recommendations relating to Apex Waste Systems, Inc., and debar Apex for a period of five years. The CHB further requests the Board debar Apex's President Mr. Anthony Uwakwe, for a period of five years, and not debar Mr. Koda or Ms. Acosta.

Respectfully submitted,



FRANK CHENG, ACTING CHAIR
Contractor Hearing Board
Manager, Strategic Initiatives and Special Projects
Chief Executive Office

FC:ib

Attachments (15)

c: Keith Knox, Chief Deputy Director for Treasurer and Tax Collector
Richard Kushi, Division Manager for Department of Mental Health
David Chittenden, Chief Deputy Director of Internal Services Department
Yolanda Young, Division Manager for Internal Services Department
Truc L. Moore, Senior Deputy County Counsel
Kathleen Bramwell, Principal Deputy County Counsel

Apex Waste Systems Debarment (Bird Ltr)

Attachment I



JIM JONES
Director

**County of Los Angeles
INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue
Los Angeles, California 90063

Telephone: (323) 267-2101
FAX: (323) 415-8864

"To enrich lives through effective and caring service"

December 11, 2014

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Anthony Uwakwe
Mr. Gil Koda
Ms. Pat Acosta
Apex Waste Systems, Inc.
2400 E. 70th Street
Long Beach, CA 90805

Mr. Anthony Uwakwe
Mr. Gil Koda
Ms. Pat Acosta
Apex Waste Systems, Inc.
14521 S. Avalon Boulevard
Gardena, CA 90248

Dear Mr. Uwakwe, Mr. Koda, and Ms. Acosta:

DEBARMENT PROCEEDINGS

The County of Los Angeles' Internal Services Department (ISD) intends to initiate debarment proceedings against each of you, as individuals, and against Apex Waste Systems, Inc. A recommended debarment of five years will be made pursuant to Los Angeles County Code Chapter 2.202, Determination of Contractor Non-Responsibility and Contractor Debarment.

You are hereby notified that the debarment hearing with the Contractor Hearing Board will be held on:

Date: Wednesday, January 7, 2015
Time: 1:30 p.m.
Place: Kenneth Hahn Hall of Administration
Treasurer and Tax Collector, Conference Room 140A
500 West Temple Street
Los Angeles, CA 90012

This notice specifies the basis for the debarment recommendation, the proposed period of debarment and a summary of evidence to support the recommendation, in Attachment A, incorporated herein by reference.

Mr. Anthony Uwakwe, et al.
December 11, 2014
Page 2 of 2

At the Contractor Hearing Board, you are entitled to appear and/or be represented by an attorney or other representative to present evidence against a finding of debarment. At the hearing, you or your representative may offer documentary evidence, present witnesses, and offer rebuttal evidence as authorized by the County code.

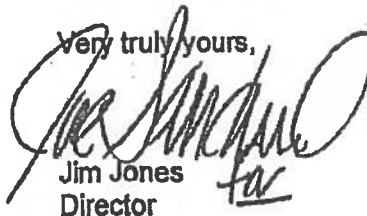
After the debarment hearing, the Contractor Hearing Board will prepare a proposed decision to the County Board of Supervisors (Board). This decision will include a recommendation on whether or not to debar any or all of the parties cited above, and, if so, the appropriate length of time for debarment. The Board may, in its discretion, limit any further hearing to the presentation of evidence not previously heard. The Board has the right to modify, deny, or adopt the Contractor Hearing Board's proposed decision and recommendation. Any debarment finding shall become final upon the approval by the Board.

Each of you and/or Apex must submit a written confirmation to ISD indicating whether you and/or attorney or other representative will be present at the debarment hearing. This confirmation must be sent to Ms. Yolanda Young, Contracting Division, 1100 N. Eastern Avenue, Los Angeles, CA 90063, or emailed to yyoung@isd.lacounty.gov, and must be received by ISD no later than 5:00 p.m. on Thursday, December 18, 2014. Failure to confirm the hearing date or otherwise respond may result in waiving of all rights to a hearing before the Contractor Hearing Board.

If Apex, or either or each of you, as individuals, confirm attendance at the Contractor Hearing Board by the deadline identified above, ISD will provide you with a list of prospective witnesses and copies of all documentary evidence at least ten (10) days prior to the scheduled hearing.

If Apex, or either or each of you intend to present evidence against the proposed debarment, you must provide ISD with a list of prospective witnesses and five (5) copies of all documentary evidence at least five (5) days prior to the scheduled hearing. The deadline to submit these documents is 12:00 p.m. on Tuesday, December 30, 2014.

If you have any questions, please contact Yolanda Young, Contracting Division Manager, at (323) 267-3101.

Very truly yours,

Jim Jones
Director

c: County Counsel
Contractor Hearing Board Members

ATTACHMENT A
BASIS FOR PROPOSED DEBARMENT RECOMMENDATION AND
SUMMARY OF EVIDENCE TO SUPPORT THE RECOMMENDATION

The basis for the proposed debarment recommendation is that Apex Waste Systems, Inc. (Apex) by and through its principals, Anthony Uwakwe (President) and Gil Koda (Vice President), and its Office/Operations Administrator, Pat Acosta: (1) violated a term of a contract with the County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; and (3) committed an act or omission which indicates a lack of business integrity or business honesty.

The Internal Services Department (ISD) will recommend a five (5) year debarment for Apex and its principals, Anthony Uwakwe (President) and Gil Koda (Vice President), and its Office/Operations Administrator, Pat Acosta.

A summary of the evidence to support the debarment recommendation is set forth below:

1. On March 3, 2009, the County of Los Angeles Board of Supervisors (Board) approved the Facility Ancillary Services Master Agreement (FASMA) and authorized the Director of ISD to execute agreements with new vendors, as they become qualified. On May 18, 2009, ISD utilized its delegated authority to execute FASMA Number 1104056 (master agreement) with Apex, to provide rubbish removal services. On October 1, 2009, ISD awarded Apex a subordinate purchase order (PO Number MA-IS-1040178-19) for rubbish removal services. Apex was contracted to provide services at 140 facilities countywide.

The County is prepared to produce documentary evidence of Apex's master agreement and subordinate purchase order.

2. On August 8, 2013, ISD sent Apex a written notice relating to its failure to provide rubbish removal services at several County facilities as contractually required. The notice specified that Apex was required to submit a written response to address performance issues identified in the Contract Discrepancy Report (CDR) by August 19, 2013. On August 19, 2013, Apex submitted its written response to ISD; however, ISD determined that Apex's written response did not provide sufficient information to address performance issues identified in the CDR. As a result, ISD requested that Apex submit a detailed Corrective Action Plan to address performance issues noted by the County (failure to pick up trash) and identify a plan to prevent re-occurrence of such issues. On August 26, 2013, Apex submitted a Corrective Action Plan to address performance issues (including failure to pick up trash) identified by ISD.

The County is prepared to produce documentary evidence of (i) the County's correspondence with Apex relating to Apex's failure to provide services as

ATTACHMENT A
BASIS FOR PROPOSED DEBARMENT RECOMMENDATION AND
SUMMARY OF EVIDENCE TO SUPPORT THE RECOMMENDATION

contractually required, and (ii) Apex's corrective action plan (provided to the County on August 26, 2013).

3. On May 15, 2014, ISD sent Apex an email relating to its failure to provide rubbish removal services at several County facilities, and requested that Apex provide a plan to comply with the contractual requirement of its agreement to provide rubbish removal services at facilities identified in the attachment provided. The email confirmed that although ISD's office is closed on Fridays, Yolanda Young, Division Manager (ISD), would make herself available on Friday, May 16, 2014, to ensure that Apex provides the contractually required services.

The County is prepared to produce documentary evidence of its correspondence with Apex relating to Apex's failure to provide services as contractually required.

4. On May 22, 2014, ISD sent Apex a written notice informing Apex that ISD has continued to receive complaints from customer departments regarding Apex's failure to provide rubbish removal services as contractually required. The notice further specified that the County would be assessing \$3,600 in liquidated damages (pursuant to Section 8.25.1 of Apex's master agreement) as a result of Apex's failure to comply with terms and conditions of the FASMA (i.e., pick up trash at several locations). Included in the notice was a listing of several instances where Apex failed to pick up trash as of April 14, 2014.

The County is prepared to produce documentary evidence of its correspondence with Apex relating to Apex's continued failure to provide services as contractually required.

5. On September 18, 2014, ISD notified Apex that they would be placed in the Contractor Alert Reporting Database (CARD) as a result of the County imposing contractual remedies against Apex for non-compliance with the County contract requirements. The notice provided Apex with ten business days (until October 2, 2014) to respond with information demonstrating that it should not be placed in CARD. On October 2, 2014, Apex responded to the notice and cited several reasons that "hampered" Apex's ability to provide services as contractually required. ISD reviewed Apex's response, and on October 7, 2014, sent written notice to Apex informing Apex that, effective immediately, Apex would be placed in CARD as its response did not provide sufficient information to demonstrate that Apex should not be placed in CARD.

The County is prepared to produce documentary evidence of the correspondence relating to Apex's placement in CARD.

6. On September 30, 2014, ISD sent Apex an email relating to its failure to provide rubbish removal services at several County facilities. ISD advised Apex that its

ATTACHMENT A
BASIS FOR PROPOSED DEBARMENT RECOMMENDATION AND
SUMMARY OF EVIDENCE TO SUPPORT THE RECOMMENDATION

failure to provide rubbish removal services as contractually required by Section 3.0, Work, of the FASMA, which requires Apex to fully perform, complete and deliver on time all work under the agreement (MA-IS-Number 104078-19), constitutes a material breach of the FASMA, which may be cause for termination for default, pursuant to Section 8.43.1, Termination for Default.

The County is prepared to produce documentary evidence of its correspondence with Apex relating to Apex's continued failure to provide services as contractually required.

7. On October 10, 2014, ISD received email correspondence from the Fire Department indicating that despite constant contact with Apex, Apex has not provided the contractually required services at several Fire stations for three consecutive weeks. Yolanda Young, Division Manager (ISD), and Octavio Sahagun, Section Manager (ISD), worked overtime on Friday, October 10, 2014 (outside of regularly scheduled working days), to ensure that Apex would provide the contractually required services to ISD's client departments (including Fire Department). At approximately 1:30 PM on October 10, 2014, Yolanda Young, Division Manager (ISD), contacted Apex and spoke with Ms. Acosta (Apex's Office/Operations Administrator), at which point, Ms. Acosta confirmed that Apex would follow-up on the issues discussed with Ms. Young; Apex, however, did not respond to ISD's request for a follow-up phone call. ISD also attempted to contact Apex via email to no avail.

The County is prepared to produce documentary evidence of the record.

8. On October 14, 2014, ISD sent written notification to Apex of its intent to terminate Apex's master agreement and subordinate purchase order, for default, upon Board approval, due to Apex's failure to provide rubbish removal services in accordance with the purchase order and Section 3.0 of the FASMA. The notice provided Apex with a listing of several instances of its failure to pick up trash in the past month (as of October 14, 2014), and informed Apex that it must cease providing rubbish removal services under the purchase order and FASMA, effective October 18, 2014.

The County is prepared to produce documentary evidence of its notification to Apex of its intent to terminate Apex's master agreement and subordinate purchase order for default.

9. Due to Apex's continued failure to provide services as contractually required, ISD proceeded with actions to ensure minimal interruptions or gaps in these critical services. ISD reviewed the most recent bids for these services, and on October 16, 2014, awarded purchase orders for rubbish removal services to the second lowest bidders for locations under agreement with Apex.

ATTACHMENT A
BASIS FOR PROPOSED DEBARMENT RECOMMENDATION AND
SUMMARY OF EVIDENCE TO SUPPORT THE RECOMMENDATION

The County is prepared to produce documentary evidence of its actions taken to acquire replacement services.

10. On October 16, 2014, ISD sent a memorandum to the Board informing the Board of ISD's intent to seek the formal termination of Apex's master agreement due to Apex's failure to maintain contracted services at various facilities.

The County is prepared to produce documentary evidence of its notification to the Board.

11. On December 9, 2014, the Board approved ISD's recommendation to formally terminate Apex's master agreement and subordinate purchase order, in whole, for default pursuant to Section 8.43, Termination for Default, due to Apex's failure to provide rubbish removal services in accordance with the subordinate purchase order and Section 3.0 of the FASMA. The termination was effective December 10, 2014.

The County is prepared to produce documentary evidence of the Board's termination of Apex's master agreement and subordinate purchase order.

12. On December 9, 2014, ISD sent written notification to Apex informing Apex that pursuant to the Board's approval on December 9, 2014, its master agreement and subordinate purchase order will be formally terminated, in whole, for default effective December 10, 2014.

The County is prepared to produce documentary evidence of its notification to Apex relating to the formal termination of its master agreement and subordinate purchase order.

13. Exhibit B, Contractor's Administration, of Apex's master agreement identifies Anthony Uwakwe, President, as an Authorized Official and designated Project Director, and Gil Koda, Vice President, as an Authorized Official.

The County is prepared to produce documentary evidence of the record.

14. A Dun and Bradstreet (D&B) business information report for Apex obtained on December 11, 2014, identifies Anthony Uwakwe as Apex's Chief Executive Officer.

The County is prepared to produce documentary evidence of the record.

ATTACHMENT A
BASIS FOR PROPOSED DEBARMENT RECOMMENDATION AND
SUMMARY OF EVIDENCE TO SUPPORT THE RECOMMENDATION

15. The Statement of Information on file for Apex dated June 24, 2008 indicates the following:

- Officers: Anthony Uwakwe, Chief Executive Officer; Gil Koda, Chief Financial Officer.

The County is prepared to produce documentary evidence of the record.

16. On June 3, 2014, Apex provided ISD with Apex's emergency contact phone numbers and identified Pat Acosta as Apex's Office/Operations Administrator.

The County is prepared to produce documentary evidence of the record.

Attachment II



County of Los Angeles
CONTRACTOR HEARING BOARD

313 NORTH FIGUEROA STREET, 8 EAST • LOS ANGELES, CALIFORNIA 90012

Participating Departments:
Chief Executive Office
Department of Mental Health
Treasurer & Tax Collector

January 6, 2015

VIA EMAIL ONLY

Yolanda Young
Internal Services Department
(as represented by Kathleen Bramwell @ kbramwell@counsel.lacounty.gov)

Anthony Uwakwe
Gil Koda
Pat Acosta
Apex Waste Systems, Inc.
(as represented by Ronald Ikijeri @ rki2001@aol.com)

Re: January 7, 2015 Debarment Hearing – Continuance of Hearing

Dear Counsel:

Please be advised that due to unforeseen logistical issues, the January 7, 2015 Debarment Hearing is cancelled and will be continued to another date. I will advise all parties of the new date and time once I ascertain the availability of the Contractor Hearing Board members.

If you have any questions, please contact me at 213-974-8450 or at tlmoore@counsel.lacounty.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Truc Moore", is written over a horizontal line.

Truc Moore
Senior Deputy County Counsel
Counsel to Contractor Hearing Board

HOA.1121519.1

Attachment III



County of Los Angeles
CONTRACTOR HEARING BOARD
313 NORTH FIGUEROA STREET, 6 EAST • LOS ANGELES, CALIFORNIA 90012

Participating Departments:
Chief Executive Office
Department of Mental Health
Treasurer & Tax Collector

January 20, 2015

VIA EMAIL ONLY

Jim Jones
Yolanda Young
Kathleen Bramwell
Internal Services Department

Anthony Uwakwe
Gil Koda
Pat Acosta
Ronald Ikijeri
Apex Waste Systems, Inc.

Re: February 11, 2015 Debarment Hearing

The January 7, 2015 Contractor Hearing Board debarment hearing against Apex Waste Systems, Inc. is continued to **February 11, 2015 at 1:30 PM.** A copy of the Special Meeting Agenda is enclosed. The debarment hearing will occur at:

Commission Room
Community Development Commission & Housing
700 W. Main St.,
Alhambra, CA 91801

If you have any questions, please contact me at 213-974-8450 or at tlmoore@counsel.lacounty.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Truc Moore", is written over a horizontal line.

Truc Moore
Senior Deputy County Counsel
Counsel to Contractor Hearing Board

HOA.1124294.1



County of Los Angeles
CONTRACTOR HEARING BOARD
313 N. FIGUEROA STREET, SIX EAST, LOS ANGELES, CALIFORNIA 90012

NOTICE OF SPECIAL MEETING

February 11, 2015, 1:30 p.m.
Commission Room
Community Development Commission & Housing
700 W. Main St.,
Alhambra, CA 91801

AGENDA

- I. Call to Order
- II. Debarment Proceedings against Apex Waste Systems, Inc., Anthony Uwakwe, Gil Koda and Pat Acosta, as initiated by the Internal Services Department.
- III. Consideration of other items not on the posted Agenda.
- IV. Public Comment.
- V. Adjournment.

For additional information, contact Frank Cheng, Chief Executive Office, at (213) 974-2620 or by email, fcheng@ceo-lacounty.gov.

Attachment IV

DEBARMENT DOCUMENTARY EVIDENCE

APEX WASTE SYSTEMS, INC.

JANUARY 7, 2015

TAB	DOCUMENTS
1	March 3, 2009 - Board Letter - Board approved the Facility Ancillary Services Master Agreement (FASMA) and authorized the Director of ISD to execute agreements with new vendors, as they become qualified.
2	May 18, 2009 - FASMA Number I104056 with Apex Waste Systems, Inc. (Apex)
3	October 1, 2009 - Purchase Order Number MA-IS-1040178-19 (subordinate purchase order) for rubbish removal services awarded to Apex.
4	August 8, 2013 - ISD's written notice to Apex requiring that Apex respond to Performance Issues outlined in Contract Discrepancy Report.
5	August 19, 2013 - Apex's response letter addressing issues outlined in Contract Discrepancy Report.
6	August 22, 2013 - ISD's written notice to Apex requiring that Apex submit a Corrective Action Plan.
7	August 26, 2013 - Apex's Corrective Action Plan.
8	May 15, 2014 - Email correspondence regarding Apex's failure to provide rubbish removal services as contractually required.
9	May 22, 2014 - ISD's written notice to Apex notifying Apex that ISD will be assessing liquidated damages due to Apex's failure to comply with the requirements of its agreement.
10	June 3, 2014 - Email from Apex to ISD providing emergency contact information for Apex and identifying Pat Acosta as Apex's Office/Operations Administrator.
11	September 18, 2014 - CARD Placement Notification Letter sent to Apex via Electronic and Certified U.S. Mail.
12	September 30, 2014 - Email correspondence relating to Apex's failure to provide rubbish removal services at several County facilities.
13	October 2, 2014 - Apex's response letter to ISD's CARD Placement Notification Letter.
14	October 7, 2014 - ISD's response letter to Apex confirming Apex will be placed in CARD effective immediately.
15	October 10, 2014 - Email correspondence from Fire Department to ISD indicating that despite constant contact with Apex, Apex has not provided the contractually required services at several Fire stations in the past three weeks.
16	October 10, 2014 - ISD's email to Apex relating to Apex's failure to provide rubbish removal services at several Fire stations.

DEBARMENT DOCUMENTARY EVIDENCE**APEX WASTE SYSTEMS, INC.****JANUARY 7, 2015**

TAB	DOCUMENTS
17	October 10, 2014 - Overtime hours worked by ISD employees (Yolanda Young, Division Manager, and Octavio Sahagun, Section Manager).
18	October 14, 2014 - ISD's written notification to Apex of its intent to terminate Apex's master agreement and subordinate purchase order for default.
19	October 16, 2014 - Memorandum from ISD to the Board of Supervisors (Board) notifying the Board of ISD's intent to seek the formal termination of Apex master agreement due to its failure to maintain contracted services at various County facilities.
20	October 16, 2014 - Purchase Orders for the procurement of rubbish removal services with two existing rubbish removal services contractors.
21	December 9, 2014 - Board letter terminating Apex's master agreement, in whole, for default.
22	December 9, 2014 - ISD's written notification to Apex informing Apex that, pursuant to the Board's approval on December 9, 2014, Apex's master agreement will be formally terminated, in whole, for default, effective December 10, 2014.
23	Statement of Information on file for Apex dated June 24, 2008.
24	December 11, 2014 - Dun and Bradstreet Business Information Report for Apex.
25	December 11, 2014 - Debarment Proceedings letter from ISD to Apex.

ISD ADDITIONAL DOCUMENTARY EVIDENCE:

February 9, 2015 Email with attachments titled "APEX debarment- emails and photos documentation Parks Department"

February 9, 2015 Email with attachments titled "Apex Debarment- Parks service records"

February 9, 2015 Email with attachments titled "Apex- Probation documentation emails"

February 9, 2015 Email with attachments titled "APEX debarment- Probation emails and photos"

February 10, 2015 Email with attachments titled "APEX debarment- Lomia Benson emails/photos"

February 10, 2015 Email with attachments titled "APEX- Better Business Bureau complaint"

APEX WASTE SYSTEMS DOCUMENTARY EVIDENCE:

Apex Written Response and Documentary Evidence Dated December 23, 2014

Evidence Introduced by Apex at February 11, 2015 CHB Hearing

Attachment V

**CONTRACTOR HEARING BOARD MEMBERS FOR
FEBRUARY 11, 2015 PROCEEDING**

- Frank Cheng, Acting Chair, Chief Executive Office
- Richard Kushi, Department of Mental Health
- Keith Knox, Office of the Treasurer and Tax Collector
- Truc L. Moore, County Counsel for Contractor Hearing Board

REPRESENTATIVES IN SUPPORT OF ISD'S RECOMMENDATION

- Kathleen Bramwell, County Counsel for Internal Services Department
- Yolanda Young, Internal Services Department
- Octavio Sahagun, Internal Services Department
- Jim Allen, Internal Services Department
- Gerald Plummer, Internal Services Department
- Lomia Benson, Fire Department
- Miguel Vazquez, Parks and Recreation
- Adrian Perera, Probation Department
- Yvette Jacob, Probation Department

REPRESENTATIVES IN SUPPORT OF APEX

- Ronald Ikejiri, Counsel for Apex
- Anthony Uwakwe, President
- Gil Koda, Vice President
- Pat Acosta, Office/Operations Administrator

Attachment VI



Frank Cheng, Acting Chair

County of Los Angeles CONTRACTOR HEARING BOARD

313 NORTH FIGUEROA STREET, 6 EAST • LOS ANGELES, CALIFORNIA 90012

Participating Departments:
Chief Executive Office
Department of Mental Health
Treasurer & Tax Collector

April 8, 2015

VIA EMAIL & U.S. MAIL

David Chittenden
Yolanda Young
Kathleen Bramwell
Internal Services Department
1100 North Eastern Avenue
Los Angeles, California 90063

Anthony Uwakwe
Gil Koda
Pat Acosta
Ronald Ikijeri
Apex Waste Systems, Inc.
2400 70th Street
Long Beach, CA 90805

Dear All:

NOTICE OF TENTATIVE PROPOSED DECISION AND RECOMMENDATION OF THE CONTRACTOR HEARING BOARD

Attached is the Contractor Hearing Board's (CHB) Tentative Proposed Decision and Recommendation to debar Apex Waste Systems, Inc. (Apex) for two (2) years.

The parties may review the Tentative Proposed Decision and Recommendation and notify the CHB of any written objections. The deadline for written objections to the Tentative Proposed Decision and Recommendation is **Wednesday, April 22, 2015.**

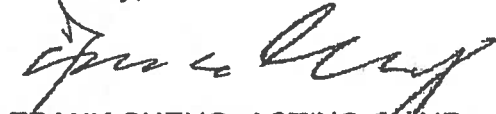
As required by the Implementation Procedures, any objections submitted must specify the objectionable portion(s) of the Tentative Proposed Decision and Recommendation, and the basis for the objections. These objections shall be based on the evidence in the record.

If no objections are received by the objection filing deadline, no further hearings will be scheduled. If written objections are timely served and received by the CHB, the CHB will schedule a subsequent hearing on Tuesday, April 28, 2015 at 2:00 PM to allow ISD or Apex to present their objections and/or rebuttals based on the evidence in the record of the first hearing, and limited to issues raised in the written objections. During this subsequent hearing, either party may agree to submit the matter to the CHB on the basis of documentary evidence only.

April 8, 2015
Page 2

If you have any questions, please contact me at 213-974-2620 or at fcheng@ceo.lacounty.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Cheng', written over the printed name.

FRANK CHENG, ACTING CHAIR
Contractor Hearing Board
Manager, Strategic Initiatives and Special Projects
Chief Executive Office

Attachments

c: Keith Knox
Richard Kushi
Truc L. Moore

Attachment VII



County of Los Angeles
CONTRACTOR HEARING BOARD

313 N. FIGUEROA STREET, SIX EAST, LOS ANGELES, CALIFORNIA 90012

NOTICE OF SPECIAL MEETING

April 28, 2015, 2:00 p.m.
Commission Room
Community Development Commission & Housing
700 W. Main St.,
Alhambra, CA 91801

AGENDA

- I. Call to Order
- II. Debarment Proceedings against Apex Waste Systems, Inc., Anthony Uwakwe, Gil Koda and Pat Acosta (collectively "Apex"), as initiated by the Internal Services Department ("ISD"). Consideration of Objections Served by Apex and ISD.
- III. Public Comment.
- V. Adjournment.

For additional information, contact Frank Cheng, Chief Executive Office, at (213) 974-2620 or by email, fcheng@ceo.lacounty.gov.

Attachment VIII



County of Los Angeles **CONTRACTOR HEARING BOARD**

313 N. FIGUEROA STREET, SIX EAST, LOS ANGELES, CALIFORNIA 90012

NOTICE OF SPECIAL MEETING

May 5, 2015, 2:00 p.m.
Commission Room
Community Development Commission & Housing
700 W. Main St.,
Alhambra, CA 91801

AGENDA

- I. Call to Order
- II. Debarment Proceedings against Apex Waste Systems, Inc., Anthony Uwakwe, Gil Koda and Pat Acosta (collectively "Apex"), as initiated by the Internal Services Department ("ISD"). Consideration of Objections Served by Apex and ISD.
- III. Public Comment.
- V. Adjournment.

For additional information, contact Frank Cheng, Chief Executive Office, at (213) 974-2620 or by email, fcheng@ceo.lacounty.gov.

Attachment IX

CONTRACTOR HEARING BOARD MEMBERS FOR
May 5, 2015 PROCEEDING

- Frank Cheng, Acting Chair, Chief Executive Office
- Richard Kushi, Department of Mental Health
- Keith Knox, Office of the Treasurer and Tax Collector
- Truc L. Moore, County Counsel for Contractor Hearing Board

REPRESENTATIVES IN SUPPORT OF ISD'S RECOMMENDATION

- Kathleen Bramwell, County Counsel for Internal Services Department
- Yolanda Young, Internal Services Department

REPRESENTATIVES IN SUPPORT OF APEX

- Ronald Ikejiri, Counsel for Apex
- Anthony Uwakwe, President
- Gil Koda, Vice President

Attachment X

AGN. NO. _____

MOTION BY SUPERVISORS KUEHL
AND SOLIS

August 11, 2015

On July 14, 2015, the County's Contractor Hearing Board submitted documentary evidence, findings and a recommendation to the Board of Supervisors to debar Apex Waste Systems, Inc. for a period of two years and Mr. Anthony Uwakwe, Apex President, for a period of three years. The Board of Supervisors deferred consideration of the Contractor Hearing Board's debarment recommendations until August 11, 2015.

Apex Waste Systems, Inc. (Apex) has provided trash removal services to 15 County departments at approximately 140 locations since October of 2009. In August of 2013, Apex began failing to provide contracted trash removal services, but submitted a Corrective Action Plan and improved its services. One year later, however, Apex began regularly failing to provide contracted trash removal services, with the Contractor Hearing Board reporting 86 missed pickups in a seven month period and the Internal Services Department (ISD) reporting 163 missed pickups. Because of Apex Waste Systems' inability to adequately address its performance issues, ISD placed Apex on the County's Contractor Alert Reporting Database in October of 2014, the Board of Supervisors terminated Apex' contract in December of 2014 and ISD initiated

MOTION

SOLIS _____

RIDLEY-THOMAS _____

KUEHL _____

KNABE _____

ANTONOVICH _____

debarment proceedings the same month.

The Contractor Hearing Board, chaired by the Chief Executive Officer, considered evidence and arguments by ISD and Apex on February 11, 2015. On May 5, 2015, the CHB considered additional evidence and arguments by ISD and Apex and subsequently recommended a two-year debarment for Apex and a three-year debarment for Mr. Uwakwe, Apex' President.

Since the date of the second Contractor Hearing Board discussion, however, the Internal Services Department has received additional information that warrants reconsideration, including evidence that Apex Waste Systems has defaulted on its property tax obligations to the County. Under the provisions of County Code Chapter 2.206, the County may impose contract termination or contractor debarment for such a default. ISD has further discovered that on June 5, 2015, the City of Los Angeles revoked Apex' solid waste hauling permit for failure to pay solid waste fees in excess of \$250,000. Without a waste hauling permit, Apex' trash trucks cannot use City of Los Angeles streets to access County facilities located in the City of Los Angeles. Based on these considerations, the Director of Internal Services recommends that the Board of Supervisors direct the Contractor Hearing Board to reconvene.

WE, THEREFORE MOVE that the Board of Supervisors direct the Contractor Hearing Board to reconvene in the matter of Apex Waste Systems, Inc. to consider new information received by the Internal Services Department and return to the Board with a recommendation based on any new documentary evidence and testimony as well as the evidence and testimony previously presented by both parties to the Contractor Hearing Board.

S:KK/Apex Debarment Motion

Attachment XI



Frank Cheng, Acting Chair

County of Los Angeles CONTRACTOR HEARING BOARD

500 W. TEMPLE STREET, 7TH FLOOR, LOS ANGELES, CALIFORNIA 90012

Participating Departments:

Chief Executive Office

Department of Mental Health

Treasurer & Tax Collector

September 11, 2015

VIA EMAIL & U.S. MAIL

David Chittenden
Yolanda Young
Kathleen Bramwell
Internal Services Department
1100 North Eastern Avenue
Los Angeles, California 90063

Anthony Uwakwe
Gil Koda
Pat Acosta
Ronald Ikijeri
Apex Waste Systems, Inc.
2400 70th Street
Long Beach, CA 90805

**NOTICE OF SPECIAL MEETING OF
CONTRACTOR HEARING BOARD (CHB)
RE: APEX WASTE SYSTEMS, INC.**

Please be advised that on August 11, 2015, the Los Angeles County Board of Supervisors requested that the Contractor Hearing Board (CHB) reconvene to hear new information received by the Internal Services Department (ISD) regarding Apex Waste System, Inc.'s (Apex). The Contractor Hearing Board will consider this new evidence at a hearing held on:

Date: Monday, September 28, 2015
Time: 1:30 p.m.
Place: Commission Room
Community Development Commission & Housing
700 W. Main St., Alhambra, CA 91801

ISD will provide to the CHB and Apex, a copy of this new information and a list of supporting witnesses, if any, by no later than ten (10) business days prior to the scheduled hearing. Apex will provide copies of rebuttal information and a list of supporting witnesses, if any, to the CHB and ISD by no later than five (5) business days prior to the scheduled hearing.

After conducting the hearing and/or following consideration of the new evidence, the CHB may modify, correct or maintain its current proposed decision and recommendation, as it deems appropriate. The CHB will thereafter return its

HOA.1197868.1

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recommendation back to the Los Angeles County Board of Supervisors for consideration.

If you have any questions, please contact me at 213-974-2620 or at fcheng@ceo.lacounty.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Cheng', written over the printed name.

FRANK CHENG, ACTING CHAIR
Contractor Hearing Board
Manager, Strategic Initiatives and Special Projects
Chief Executive Office

c: Keith Knox
Richard Kushi
Truc L. Moore

Attachment XII



JIM JONES
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

"To enrich lives through effective and caring service"

Telephone: (323) 267-3101
FAX: (323) 415-8664

September 14, 2015

VIA EMAIL AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Anthony Uwakwe
Apex Waste Systems, Inc.
2400 E. 70th Street
Long Beach, CA 90805

Dear Mr. Uwakwe:

DEBARMENT PROCEEDINGS

The County of Los Angeles' Internal Services Department (ISD) intends to continue debarment proceedings against Apex Waste Systems, Inc. (Apex) and Mr. Anthony Uwakwe, as an individual. A recommended debarment of five years will be made pursuant to Los Angeles County Code Chapter 2.202, Determination of Contractor Non-Responsibility and Contractor Debarment.

On July 14, 2015, the County's Contractor Hearing Board (CHB) submitted documentary evidence, findings and a recommendation to the Board of Supervisors (Board) to debar Apex for a period of two years and Mr. Anthony Uwakwe, Apex President, for a period of three years. Consideration of the CHB's recommendation was continued by the Board and, on August 11, 2015, the Board directed the CHB to reconvene in the matter of Apex to consider new information received by ISD.

You are hereby notified that the next debarment hearing with the Contractor Hearing Board will be held on:

Date: Monday, September 28, 2015
Time: 1:30 p.m.
Place: Community Development Commission and Housing
Commission Room
700 W. Main Street
Alhambra, CA 91801

This notice specifies the additional information that serves as a basis for the debarment recommendation, the proposed period of debarment and a summary of evidence to support the new recommendation following the receipt of new information, in Attachment A, incorporated herein by reference.

At the Contractor Hearing Board, you are entitled to appear and/or be represented by an attorney or other representative to present evidence against a finding of debarment. At the hearing, you or your representative may offer documentary evidence, present witnesses, and offer rebuttal evidence as authorized by the County code.

After the debarment hearing, the Contractor Hearing Board will prepare a proposed decision to the Board. This decision will include a recommendation on whether or not to debar any or all of the parties cited above, and, if so, the appropriate length of time for debarment. The Board may, in its discretion, limit any further hearing to the presentation of evidence not previously heard. The Board has the right to modify, deny, or adopt the Contractor Hearing Board's proposed decision and recommendation. Any debarment finding shall become final upon the approval by the Board.

Apex and/or Mr. Uwakwe must submit a written confirmation to ISD indicating whether attendance by an attorney, a representative and/or Mr. Uwakwe will be present at the debarment hearing. **This confirmation must be sent to Ms. Yolanda Young, Contracting Division, 1100 N. Eastern Avenue, Los Angeles, CA 90063, or emailed to yyoung@isd.lacounty.gov, and must be received by ISD no later than 5:00 p.m. on Monday, September 21, 2015.** Failure to confirm the hearing date or otherwise respond may result in waiving of all rights to a hearing before the Contractor Hearing Board.

If either Apex and/or Mr. Uwakwe intend to present evidence against the proposed debarment, a list of prospective witnesses and five (5) copies of all documentary evidence must be provided to ISD at least five (5) days prior to the scheduled hearing. The deadline to submit these documents is 12:00 p.m. on Monday, September 21, 2015.

If you have any questions, please contact Yolanda Young, Contracting Division Manager, at (323) 267-3101.

Very truly yours,



Dave Chittenden
Chief Deputy Director

c: County Counsel
Contractor Hearing Board Members

ATTACHMENT A
BASIS FOR PROPOSED DEBARMENT RECOMMENDATION AND
SUMMARY OF ADDITIONAL EVIDENCE TO SUPPORT THE
RECOMMENDATION

The basis for the proposed debarment recommendation is that Apex Waste Systems, Inc. (Apex) by and through its President/Principal, Anthony Uwakwe (1) violated a term of a contract with the County; (2) committed an act which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, and engaged in a pattern or practice which negatively reflects on same; and (3) committed an act or omission which indicates a lack of business integrity.

The Internal Services Department (ISD) is recommending a five (5) year debarment for Apex and its President/Principal, Anthony Uwakwe (President).

A summary of the evidence to support the debarment recommendation is set forth below:

The evidence provided below supplements previously presented or submitted testimony/evidence by the Internal Services Department (refer to Debarment Proceedings Letter dated December 11, 2014, including Attachment A, Summary of Evidence, and evidence previously submitted by the Internal Services Department for further details).

1. **Revocation of Solid Waste Hauling Permit.** On April 17, 2015, the City of Los Angeles Bureau of Sanitation (Bureau) recommended to the Board of Public Works (BPW) to revoke Apex's Solid Waste Hauling Permit for failure to comply with the terms and conditions of its permit and with the requirements of LAMC 66.32 ET SEQ., including failure to remit unpaid AB939 Compliance Fees. This recommendation was made as a result of Apex's failure to pay \$269,125.00 in outstanding compliance fees and numerous failed attempts by the Bureau to resolve Apex's non-compliance issues. Consideration of the Bureau's recommendation was continued for 30 days to May 18, 2015 to negotiate a payment plan with Apex for the full amount owed (\$269,125.00). Additionally, the BPW instructed the Bureau to report back to the BPW within 30 days on a payment plan status.

On May 11, 2015, the Bureau scheduled a meeting with Apex to negotiate a payment for the outstanding balance. Apex failed to attend the meeting.

On May 18, 2015 the Bureau moved forward with a recommendation to the BPW to revoke Apex's Solid Waste Hauling Permit; however, consideration of the matter was continued to May 20, 2015.

On May 20, 2015, the Bureau again moved forward with a recommendation to revoke Apex's Solid Waste Hauling Permit, due to Apex's failure to remit unpaid

**ATTACHMENT A
BASIS FOR PROPOSED DEBARMENT RECOMMENDATION AND
SUMMARY OF ADDITIONAL EVIDENCE TO SUPPORT THE
RECOMMENDATION**

AB939 Compliance Fees. In an attempt to collect on the outstanding balance, the BPW approved a motion that provided Apex with the opportunity to retain its permit by approving a stay to revoke Apex's Solid Waste Hauling Permit subject to a proposed payment for the entire amount due as follows:

- a. Apex to make initial down payment of \$25,000 due on or by June 1, 2015;
- b. Apex to make sixteen (16) monthly installment payments each at \$15,257.81 due on every 1st of the month starting on July 1, 2015; and
- c. If either down payment or any of the monthly installment payments due is not received by the City on or by 10th day, then stay will be lifted and permit revoked automatically.

On June 10, 2015, Apex failed to make its first payment (an initial down payment) to the City of Los Angeles. To date, Apex has failed to make any payments to the City of Los Angeles for the outstanding balance owed. Due to its default, the City of Los Angeles revoked Apex's solid waste hauling permit effective June 11, 2015. Consequently, Apex is no longer able to operate (collect, remove, or transport solid waste) within the City of Los Angeles; the Bureau will refer the matter to the Office of the City Attorney for misdemeanor case filing if Apex is found to be operating within the City of Los Angeles.

The County is prepared to produce documentary evidence of the Bureau's recommendation to revoke Apex's Solid Waste Hauling Permit due to Apex's failure to comply with the terms and conditions of its permit and with the requirements of LAMC 66.32 ET SEQ., and (ii) the City of Los Angeles' revocation of Apex's solid waste hauling permit.

2. **Defaulted Property Taxes.** On May 6, 2015, ISD received notification that the County of Los Angeles Treasure and Tax Collector (TTC) sent Notification of Tax Default to Apex. TTC's notification letter to Apex was dated March 25, 2015. Under the provisions of County Code Chapter 2.206 and Section 8.53, Warranty of Compliance with County's Defaulted Property Tax Reduction Program, of Apex's contract, the County may impose contract termination or contractor debarment for such a default. On September 14, 2015, TTC confirmed that Apex's property taxes remained in default and that Apex has not contacted TTC to make payment arrangements.

The County is prepared to produce evidence of (i) TTC's Notification of Tax Default, (ii) Apex's failure to cure its defaulted property taxes, and/or make contact with TTC to make payment arrangements and (iii) the applicable terms of the County contract and the requirements of County Code Chapter 2.206.

Attachment XIII



Frank Cheng, Acting Chair

County of Los Angeles CONTRACTOR HEARING BOARD

500 W. TEMPLE STREET, 7TH FLOOR, LOS ANGELES, CALIFORNIA 90012

Participating Departments:

Chief Executive Office

Department of Mental Health

Treasurer & Tax Collector

September 24, 2015

VIA EMAIL & U.S. MAIL

David Chittenden
Yolanda Young
Kathleen Bramwell
Internal Services Department
1100 North Eastern Avenue
Los Angeles, California 90063

Anthony Uwakwe
Gil Koda
Pat Acosta
Ronald Ikijeri
Apex Waste Systems, Inc.
2400 70th Street
Long Beach, CA 90805


**NOTICE OF CONTINUANCE OF SPECIAL MEETING OF
CONTRACTOR HEARING BOARD (CHB)
RE: APEX WASTE SYSTEMS, INC.**

Please be advised that the Contractor Hearing Board (CHB) meeting scheduled for September 28, 2015 will be continued to October 13, 2015. The new hearing date, time and location is as follows:

Date: Tuesday, October 13, 2015
Time: 1:30 p.m.
Place: Hall of Administration
7th Floor, Room 743
500 W. Temple St.
Los Angeles, CA 90012

If you have any questions, please contact me at 213-974-2620 or at fcheng@ceo.lacounty.gov.

Sincerely,


FRANK CHENG, ACTING CHAIR
Contractor Hearing Board
Manager, Strategic Initiatives and Special Projects
Chief Executive Office

HOA.1205699.1

"To Enrich Lives through Effective And Caring Service"

Attachment XIV

APEX WASTE SYSTEMS DOCUMENTARY EVIDENCE:

Apex Written Response Received on October 12, 2015

Email from Apex to City of Los Angeles on May 11, 2015

Letter from Apex to City of Los Angeles Board of Public Works on May 18, 2015

Emails between Apex and County Assessor from April 30, 2014 through July 18, 2014

Correspondence from Apex to County Assessor on October 9, 2015

State of California Statement of Information for Apex dated July 12, 2012

City of Los Angeles Waste Hauler/Contractor Quarterly Payment Forms and Checks issued from Apex to the City of Los Angeles from April 2008 to January 2012

**APEX WASTE SYSTEMS ADDITIONAL DOCUMENTARY EVIDENCE,
INTRODUCED AT OCTOBER 13, 2015 CHB HEARING:**

Emails between Apex and County Treasurer and Tax Collector on October 9, 2015

Email from Apex to County Assessor and County Treasurer and Tax Collector on October 9, 2015

Attachment XV

**CONTRACTOR HEARING BOARD MEMBERS FOR
OCTOBER 13, 2015 PROCEEDING**

- Frank Cheng, Acting Chair, Chief Executive Office
- Richard Kushi, Department of Mental Health
- Keith Knox, Office of the Treasurer and Tax Collector
- Truc L. Moore, County Counsel for Contractor Hearing Board

REPRESENTATIVES IN SUPPORT OF ISD'S RECOMMENDATION

- Kathleen Bramwell, County Counsel for Internal Services Department
- Yolanda Young, Internal Services Department

REPRESENTATIVES IN SUPPORT OF APEX

- Ronald Ikejiri, Counsel for Apex
- Anthony Uwakwe, President
- Gil Koda, Vice President